

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1739-01  
Bill No.: HB 714  
Subject: Roads & Highways; Transportation; MoDOT  
Type: Original  
Date: February 28, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
State Highway & Transportation Dept. and Road Funds	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials with the **Office of Administration–Division of Design & Construction** assume the proposal will have no fiscal impact on the Office.

Officials with the **Department of Transportation (MoDOT)** assume the proposal will allow the use of the design-build approach to developing projects, and will have no fiscal impact.

**Oversight** assumes the provision allowing MoDOT to pay a fee to unsuccessful bidders could result in an additional cost to the state, depending on whether MoDOT exercises the option. Additionally, Oversight notes that combining the design and construction of the project into one contract may affect the total cost. Savings could be realized since one “design-builder” is responsible for the total project, and MoDOT would not have to contract out the design and construction functions separately.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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### **STATE HIGHWAY & TRANSPORTATION DEPT. AND ROAD FUNDS**

#### Savings–MoDOT

Use of Design-Build Contracts	Unknown	Unknown	Unknown
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#### Costs–MoDOT

Payment of Fee to Losing Bidders	(Unknown)	(Unknown)	(Unknown)
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### **NET EFFECT TO STATE HIGHWAY & TRANSPORTATION DEPT. AND ROAD FUNDS**

<u>Unknown to</u> <u>(Unknown)</u>	<u>Unknown to</u> <u>(Unknown)</u>	<u>Unknown to</u> <u>(Unknown)</u>	
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

## DESCRIPTION

This bill allows the Highways and Transportation Commission to enter into design-build highway project contracts. The first of the contracts will be a pilot project located on the interstate system. Future projects will be selected from the interstate system or emergency projects.

When using a design-build contract, the commission must pre-qualify persons based on recommendations submitted by the design-build pre-qualification review team before a person will be allowed to build. The bill spells out how pre-qualification is conducted.

The commission will issue a request for proposals of pre-qualifiers. Proposals must consist of 2 separate components submitted separately (sealed design-build and sealed lump sum price proposal). The commission will evaluate and score proposals based on certain criteria, publicly open bids, and divide each price by the score of that proposal, yielding an overall value rating for each bid. The commission may award contracts to the best overall value rating. Awards are final, and the commission has the right to reject any and all bid proposals.

Design-build project contracts may be used only for construction work greater than 10 miles.

The commission is authorized to pay a fee to all responsive bidders that do not win the award. Anyone who receives a fee is prohibited from receiving a fee on subsequent design-build projects.

The bill has an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Office of Administration  
Division of Design & Construction  
Department of Transportation



Jeanne Jarrett, CPA  
Director

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